

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

SWD-waiver of the Margin Money advanced by SC, ST, BC, Women and Disabled Welfare Corporations to their respective ( loanee ) beneficiaries and outstanding as on 29-2-2008, by limiting to a maximum of Rs.1.00 lakh per loanees, beneficiary- Orders - Issued.

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**SOCIAL WELFARE (SCP.I) DEPARTMENT**

G.O.Rt.No: 492

Dated: 7-7-2009.

Read the following:

- 1) Minutes of the Meeting held by the Hon'ble Chief Minister on 12.3.2008.
- 2) Statement made by the Hon'ble Chief Minister on the floor of the A.P.Legislative Assembly on 17.3.2008.
- 3) From the V.C & Managing Director, APSCCFC Ltd, Hyderabad, Lr.No.P2/1595/APSC/2005,Dated. 1-10-2008 &17-10-2008.
- 4) From the V.C & Managing Director, APSCCFC Ltd, Hyderabad, Lr.No.P2/1595/APSC/2005, Dtd.26/3/2008.

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**ORDER:**

In the meeting held on 12.3.2008, Hon'ble Chief Minister has decided to extend monetary relief to the borrowers belonging to weaker sections, who have obtained loans from the Welfare Corporations as the issue was engaging the attention of the Government for quite some time. The Hon'ble Chief Minister of Andhra Pradesh, has also made a statement on the floor of the Andhra Pradesh Legislative Assembly on 17.3.2008 announcing the waiver of outstanding loans extended to the Welfare Corporations as a measure of relief to the borrowers belonging to the S.C, S.T, B.C., Minorities, women and Disabled, Welfare Corporations who are finding it difficult to repay the small amounts of loans extended by the Welfare Corporations.

2. In the reference 4<sup>th</sup> read above, the V.C & M.D, APSCCFC Ltd., Hyderabad, has submitted draft guidelines for waiver of loans along with interest and requested to take necessary action accordingly.

3. Government after careful examination, hereby accord waiver of the Margin Money advanced by SC, ST, BC, Women and Disabled Welfare Corporations to their respective (loanees) beneficiaries and outstanding as on 29-2-2008, by limiting to a maximum of Rs.1.00 lakh per loanees, beneficiary. The waiver is limited to the eligible amount of the total outstanding loans of Rs.1645.27 Crores subject to the following conditions:

- i) The loan waiver scheme is a positive approach consisting of not only measures to relieve the defaulters of the burdensome loan liabilities, but also to re-orient the respective Welfare Corporation to cater to more beneficiaries in future and shall be extended to the loans given from Government funds upto 29.02.2008 only (including Margin Money, State Government Loan, Loans from National Apex Corporations viz., NSFDC, NSKFDC, NSTFDC, NBCFDC, NMDFC & NHFDC).
- ii) The waiver per beneficiary is upto Rs.1,00,000/- only including all Government loans given with interest as on 29.02.2008.
- iii) The cases of fraud and malfeasance shall not be covered under this scheme.

(P.T.O.)

- iv) Loans with interest outstanding upto Rs 1.00 lakh are only eligible for waiver. If the outstanding loan with interest is more than Rs 1.00 lakh, on repayment of the balance outstanding dues in four installments within one year, waiver of loan with interest upto Rs 1.00 lakh shall be considered.
- v) The Welfare Corporations shall not sanction any fresh loans from 29.02.2008 and shall only take up responsibility of facilitation for obtaining institutional Finance with the subsidy provided.
- vi) For all Economic Support Schemes to eligible beneficiaries either 50% of the total outlay of the unit or Rs 30,000/-, which ever is less, shall be provided as subsidy.
- vii) In subsidy loan tie up with Institutional Finances, priority should be given only to fresh loanees i.e., those who did not avail the loans prior to cut off date, i.e. 29-2-2008.
- viii) The District units of each Welfare Corporations shall prepare the list of eligible loanees for waiver and publish the same in their respective offices within 15 days from the issue of this order and intimate the waiver to the loanees through a letter, on approval and issuance of detailed guidelines from the respective Heads of Departments.
- ix) The Welfare Corporation shall accordingly submit detailed proposals for waiver to respective Government departments and obtain necessary orders.
- x) In respect of specific role of the Welfare Corporations in the implementation of Economic upliftment schemes for weaker sections from 01.04.2008, respective Welfare Departments shall issue necessary specific guidelines.
- xi) Bank loans taken by the loanees are not covered under this scheme.

- 4. The Guidelines on Waiver of loans are annexed to this order.
- 5. This order issues with the concurrence of Finance (Exp.SW) Department, vide their U.O.No.14315/219/A1/Expr.SW/2009, Date.29-6-2009.
- 6. These orders are also available in A.P. Government Website '[www.aponline.gov.in](http://www.aponline.gov.in)'

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**V. NAGI REDDY,  
PRINCIPAL SECRETARY TO GOVERNMENT.**

To

The Vice Chairman & Managing Director, APSCCFC Ltd., Hyderabad.

All Head of the Departments, through V.C & M.D, APSCCFC Ltd.

All Managing Directors of Welfare Corporations,  
through V.C & M.D, APSCCFC Ltd., Hyderabad.

B.C.Welfare / Tribal Welfare / Women Welfare / Disabled Welfare Departments.

All the District Collectors in the State, through V.C & M.D, APSCCFC Ltd.

The Information & Public Relations Department.

The Finance (Exp.SW) Department.

**Copy to:**

The Accountant General of Andhra Pradesh, Hyderabad.

G.A.(I&PR) Dept.,/P.S. to Prl. Secretary(S) to CM/P.S. to M(SW)/ P.S. to

M(TW)/P.S. to Prl.Secretary (SW)/P.A.to Addl. Secretary/ S.W.(Budget) Dept.

Sf/Sc

**//FORWARDED: BY ORDER//**

**SECTION OFFICER**

## **ANNEXURE**

The following are the guidelines for implementation of Margin Money loan waiver Scheme:

### **BACKGROUND:**

Extending monetary relief to the weaker section borrowers, who have obtained loans from the Welfare Corporations, is engaging the attention of the Government for quite some time. The Hon'ble Chief Minister of Andhra Pradesh had made a statement on the Floor of the A.P.Legislative Assembly on 17.3.2008, announced the waiver of loans extended by the Welfare Corporations as a measure of relief to the weaker sections belonging to SC, ST, BC, Minorities, Women and Disabled, who are finding it difficult to repay the small amounts of loans extended by the Welfare Corporations. It is estimated that the loan waiver scheme would benefit 43,84,682 borrowers and the total amount proposed for waiver is Rs.1690.60 crores.

### **ELIGIBILITY:**

All the Margin Money loans and loans extended by the weaker section Corporations by borrowing the funds from the National Apex Organizations not exceeding Rs.1.00 lakh per borrower and remained as outstanding which includes principals and interest in the books of accounts of the Welfare Corporations are covered in the waiver scheme. The loans extended by the Commercial Banks, Cooperative Banks, APSFC and specialized finance institutions are not covered in the waiver scheme and such portion of the loans shall continue to be paid to the respective institutions. The cases of fraud and malfeasance shall not be covered in this scheme. Waiver Scheme shall not be applicable to the cases which are covered under Court Cases and litigations in various statutory Bodies.

### **CUT OF DATE:**

All the loans, which were extended prior to 29.2.2008 remained as outstanding are covered by waiver scheme. In respect of the Corporations where the quantum of margin money loans proposed to be waived is more than the equity base of the Corporations, such Corporations shall be restructured in the suitable manner, so that these bodies will continue to serve the respective categories of the weaker sections in future also. The respective Departments shall examine the financial status of each Corporation and come up with proposals for additional equity support wherever necessary. Where share capital of the Corporations contributed by Government of India or other agencies, the concurrence of such agencies shall also be obtained and in turn proposals shall also be submitted to the Government after placing the matter to the respective Board of Directors.

### **OPERATIONAL PLAN:**

- a) Each Corporation with the assistance of its District Societies shall prepare a comprehensive list of borrowers to whom the waiver scheme is proposed to be extended and shall place before the respective Board of Directors and after scrutiny of the proposals shall submit the proposals to the respective controlling Departments in Secretariat and obtain orders for waiver.
- b) The list of borrowers covered by the waiver scheme shall be made available in public domain by publishing the same in respective Departmental Websites.
- c) The Welfare Corporations shall also inform to all the individual borrower in writing about the quantum of loan which includes the outstanding principal and interest amounts that are waived by the Government in the form of a letter.

- d) The loans extended by the Welfare Corporations by borrowing the funds from the National Apex Corporations viz., NSFDC, NSKFDC, NSTFDC, NBCFDC, NMDFC, NHFDC, etc., shall also be covered under the waiver scheme subject to maximum of Rs.1.00 lakh per borrower. The loan installments payable to the respective Corporations shall be paid by the Government as and when these installments fall due.
- e) Additional funds required for payment of outstanding dues for the year 2007-08 and 2008-09 to the National Apex Corporations, the respective Departments shall submit supplementary budget proposals for release of additional grants to meet the outstanding loan amounts payable to the National Apex Corporations.

**V. NAGI REDDY,  
PRINCIPAL SECRETARY TO GOVERNMENT.**